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News Release

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Assessments cards are not real property tax bills, County says

Tax relief measures in place should offer some relief to homeowners

LĪHU'E – Don't be alarmed, says Mayor Baptiste. Referring to Real Property assessment cards, which were mailed to property owners today, the Mayor reminded the community that the cards reflect a fair market valuation of the property only, and is not a bill.

Real Property assessments have increased by about 48 percent, said Michael Tresler, director of finance. But because of the various tax relief initiatives put in place by the County Council and Administration, many property owners will be protected from escalating valuations, he said.

And with a proposal sent to the County Council by the Mayor, more relief may be on the way.

Under the existing Permanent Home Use dedication program, which was amended by the County Council in 2004, this year's tax bills for those with a homeowner's exemption will increase by no more than 6 percent. Along with his budget submittal, Mayor Baptiste today sent a proposal to the County Council that would temporarily lower the cap on the PHU exemption from 6 percent to 2 percent. This measure, coupled with the Council's earlier 6 percent cap, would reduce the taxes paid by homeowners by a total of approximately \$7.3 million this year.

(more)

While the assessment cards reference the 6 percent cap, should the County Council adopt the Mayor's recommendation, the 2 percent cap would be reflected in the real property tax bill. Tax bills are scheduled to be mailed to property owners on or before July 15.

The PHU exemption is just one tax relief measure that was passed by the Council in 2004 and is now available to Kaua'i taxpayers, the Mayor remarked, and other relief measures will also benefit property owners.

The Circuit Breaker Credit Program continues to cap qualified homeowners' property taxes to 3 percent of their total household adjusted gross income. Owners who have filed properties with the County as legally-defined long-term rentals will receive a tax bill with an increase of no more than 6 percent over last year. And undeveloped home sites on agricultural land will continue to be taxed at the agricultural rate.

"Between the County Council and the Administration, we fully agree that tax relief is necessary for Kaua'i citizens," stated the Mayor. "These are temporary tax relief measures that are in place while long-term and comprehensive real property tax reform is completed."

The deadline for filing an appeal on your 2005 tax assessment is April 11. Anyone with questions about assessments may call the Real Property Tax Assessment Division at 241-6222. Information is also available online at <http://www.kauaipropertytax.com>.

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